Message Text

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INFO OCT-01 ISO-00 SP-02 USIA-06 AID-05 EB-08 NSC-05 CIEP-01 TRSE-00 SS-15 STR-04 OMB-01 CEA-01 L-03 H-01 PA-01 PRS-01 CIAE-00 COME-00 FRB-03 INR-07 NSAE-00 XMB-02 OPIC-03 LAB-04 SIL-01 DODE-00 /087 W

-----101313Z 124040/53

R 101218Z FEB 77

FM AMEMBASSY WARSAW

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E.O. 11652: N/A TAGS: EGEN. PL.

SUBJECT: JAROSZEWICZ EXHORTS POLISH MANAGERS TO HIKE EXPORTS

1. PREMIER PIOTR JAROSZEWICZ ON FEBRUARY 7 GAVE 400 GOVERNMENT AND INDUSTRY MANAGERS SOME INDICATION OF HOW THE GOP INTENDS TO ACHIEVE ITS AMBITIOUS GOAL OF A 75 PERCENT INCREASE IN EXPORTS DURING THE CURRENT 5-YEAR PLAN. HE SAID THE SELF-REPAYMENT ("SAMOSPLATA") FINANCIAL SYSTEM WOULD CONTINUE TO BE APPLIED, WITH "SOME AMENDMENTS," AS THE MOST EFFECTIVE WAY OF ASSURING INCENTIVES TO MANAGERS TO EXPORT AND TO RATIONALIZE IMPORTS. HE ALSO SAID BANK CREDITS WOULD BE USED INCREASINGLY TO ACCOMPLISH THESE GOALS.

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2. JAROSZEWICZ EMPHASIZED MORE STRONGLY THAN IN THE PAST THE NEED TO OBTAIN THE HIGHEST POSSIBLE PRICES FOR POLISH EXPORTS, CHIEFLY THROUGH MAJOR IMPROVEMENTS IN THE QUALITY OF MANUFACTURED GOODS. THE RATIONALIZATION OF IMPORTS, PARTICULARLY OF CAPITAL GOODS, WAS AGAIN LISTED AS A PRIORITY GOP OBJECTIVE, AND THE PREMIER INDICATED THAT STRICTER SCRUTINY WOULD BE GIVEN TO THE TIMELINESS OF IMPORTS AND THE SUBSTITUTABILITY

OF DOMESTIC EQUIPMENT. JAROSZEWICZ POINTED OUT THAT THE PROGRESS OF EACH INDUSTRIAL ASSOCIATION IN MEETING FOREIGN-TRADE GOALS WOULD BE REVIEWED THROUGHOUT THE YEAR. MONTHLY RESULTS WILL BE EXAMINED, AND THE GOVERNMENT WILL NOT ALLOW FIRMS TO TRY TO CONCENTRATE EXPORTS IN END-OF-QUARTER OR YEAR-END SURGES. IMPORT ALLOCATIONS WILL BE CUT FOR THOSE ASSOCIATIONS NOT MEETING EXPORT TARGETS, HE ADDED.

- 3. JAROSZEWICZ DESCRIBED THE "INCREASED IMPORTANCE OF EXPORTING TO THE USSR" IN RATHER STANDARD TERMS. ALTHOUGH HE MENTIONED THE ROLE OF THE SOVIETS IN SUPPLYING EQUIPMENT AND MATERIALS, THE HEAVY PRAISE OF SOVIET CONTRIBUTIONS, WHICH WAS SO PREVALENT IN NOVEMBER AND DECEMBER (JUST AFTER GIEREK'S TRIP TO MOSCOW AND THE OPENING OF HUTA KATOWICE), WAS ABSENT. THE PRESS RELEASE ACCOMPANYING THE JAROSZEWICZ SPEECH, HOWEVER, DESCRIBED INTENSIFICATION OF COOPERATION WITH CEMA COUNTRIES, PARTICULARLY THE SOVIET UNION, AS THE "MOST IMPORTANT PRECEPT" OF THE FOREIGN-TRADE PLAN.
- 4. COMMENT: JAROSZEWICZ OFFERED NO NEW CLUES AS TO HOW THE GOP EXPECTS TO TURN THE POLISH ECONOMY INTO A EXPORT JUGGERNAUT. NEVERTHELESS, HE MADE IT CLEAR TO ECONOMIC MANAGERS THAT THEIR FEET WILL BE HELD TO THE FIRE TO EXACT GREATER EXPORT PERFORMANCE. THIS FORM OF "NEGATIVE INCENTIVE" WILL HELP, BUT OTHER ADJUSTMENTS, SUCH AS IN THE PROFITABILITY OF EXPORTS VERSUS DOMESTIC SALES, WILL PROBABLY BE NECESSARY TO GET CLOSER TO THE RESULTS DESIRED. END COMMENT.

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Message Attributes

Automatic Decaptioning: X

Capture Date: 01-Jan-1994 12:00:00 am

Channel Indicators: n/a

Current Classification: UNCLASSIFIED

Concepts: EXPORTS, POLICIES, FIVE YEAR PLAN

Control Number: n/a

Copy: SINGLE Sent Date: 10-Feb-1977 12:00:00 am Decaption Date: 01-Jan-1960 12:00:00 am

Decaption Note:

Disposition Action: RELEASED Disposition Approved on Date:
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW

Disposition Date: 22 May 2009 Disposition Event: Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1977WARSAW01010
Document Source: CORE
Document Unique ID: 00

Document Unique ID: 00

Drafter: n/a Enclosure: n/a Executive Order: N/A

Errors: N/A **Expiration:**

Film Number: D770048-0015

Format: TEL From: WARSAW

Handling Restrictions: n/a

Image Path: ISecure: 1

Legacy Key: link1977/newtext/t19770252/aaaabufn.tel

Line Count: 97 Litigation Code IDs: Litigation Codes:

Litigation History: Locator: TEXT ON-LINE, ON MICROFILM Message ID: 333e74c8-c288-dd11-92da-001cc4696bcc

Office: ACTION EUR

Original Classification: LIMITED OFFICIAL USE Original Handling Restrictions: n/a Original Previous Classification: n/a Original Previous Handling Restrictions: n/a

Page Count: 2
Previous Channel Indicators: n/a

Previous Classification: LIMITED OFFICIAL USE Previous Handling Restrictions: n/a

Reference: n/a Retention: 0

Review Action: RELEASED, APPROVED Review Content Flags: Review Date: 01-Feb-2005 12:00:00 am

Review Event:

Review Exemptions: n/a **Review Media Identifier:** Review Release Date: n/a Review Release Event: n/a **Review Transfer Date:** Review Withdrawn Fields: n/a

SAS ID: 3349769 Secure: OPEN Status: NATIVE

Subject: JAROSZEWICZ EXHORTS POLISH MANAGERS TO HIKE EXPORTS

TAGS: EGEN, PL To: STATE Type: TE

vdkvgwkey: odbc://SAS/SAS.dbo.SAS_Docs/333e74c8-c288-dd11-92da-001cc4696bcc

Review Markings: Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 22 May 2009

Markings: Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 22 May 2009